

Masala on the Menu

How U.S. Food Chains Cater to Indian Tastes

Text by E. WAYNE Photographs by SEBASTIAN JOHN



Pizza Hut employee Satveer Singh prepares to serve Malai Seekh Kebab Pizza (left) and Peshawari Chana Paneer Pizza, the Indian additions to the U.S. restaurant chain's menu.

Pizza, as we know it, was invented in 1889 in Naples, Italy, by Don Raffaele Esposito as a dish for his queen. The Peshawari Chana Paneer Pizza, a more recent innovation, was developed by Pizza Hut India's marketing and research team, headed by Sanjiv Mediratta. The intended consumer? Anyone craving "The Great Indian Treat."

According to *Smithsonian* magazine, Esposito used buffalo mozzarella on his groundbreaking pizza, a new ingredient to be melted atop flat bread. Mediratta also added a significant innovation to the pizza art form—chickpeas.

As with most new ideas, people scoffed at first. "When I was doing this pizza, everyone put me down and said, 'We can't put chickpeas on it; there is no value.' I said, if you look at an Indian consumer, he eats *bhatura*, which is a bread, and he eats it with

chana. My crust is also a bread. So I just need to put some *chana* and onion on top of it," says Mediratta, a former Taj Hotel chef who prefers to eat at roadside *dhabas* instead of five-star hotels.

He chucked the basil topping of the original "Margherita" pizza in favor of onions, *paneer*, soft chickpeas, fresh coriander and a sprinkling of masala. The result: Peshawari Chana Paneer Pizza is now one of the best selling items in Pizza Hut's vegetarian range. "It's the consumer who decides what he wants, not us," says Mediratta.

And that has been one of the greatest lessons for U.S.-based restaurant chains as they entered the Indian market: Indian consumers crave Indian flavors. Give them a chicken burger, but make it with mint sauce. Or a submarine sandwich with spicy potato patties. Keep the international standard of service, clean-



liness and food quality. Keep the food's form and function the same. But a little masala never hurt anyone.

From unsure and sometimes rough beginnings, American food chains are growing fast in India now. Papa John's just entered and KFC is resurgent. McDonald's now has 91 restaurants in India and feeds 350,000 people a day. Pizza Hut had 126 restaurants in July and is expanding fast into small towns, as is Subway, with 79 restaurants.

In fact, Indian menu options have become standard for American chains here. Says Robby Gulri, a Subway representative in India, "When we first introduced Subway in India, we only had our international selection of subs. In line with customer feedback and popular demand we gradually introduced a variety of Indian subs. These were developed in collaboration with our

From top: A staffer explains the menu to a customer at McDonald's; the KFC outlet at Rajouri Garden, New Delhi; customers at Pizza Hut.

local vendors and the R&D department at Subway headquarters, in Milford, Connecticut."

Newcomer Papa John's didn't have to suffer the learning curve of early entrants like Pizza Hut and Domino's Pizza (which, like Subway, both started out with only standard offerings). Papa John's launched its restaurants with a host of Indian-style pizzas already on the menu.

The success of the shift speaks for itself. In India, the top selling McDonald's product is the McAloo Tikki, a Rs. 20 potato burger with spices, tomato slices and a tangy sauce. But making a bestseller isn't just about whipping up wonders in the kitchen:

It's a long, complicated process involving marketing, supply chains, kitchen staff and countless tests of taste and pricing.

That new, delicious looking dish advertised in the newspaper often takes more than a year to develop from concept to reality. Fast-food and chain restaurants like McDonald's and Pizza Hut are all about volumes; therefore, every new offering actually starts in marketing. That department collects customer feedback, runs focus groups, watches sales trends and does its best to find out what customers are craving.

Once a trend is established, marketing consults chefs and other food developers to come up with offerings to reflect it. Samples are then taken to consumers in focus groups, who are not allowed to eat the offerings—yet. They're simply told about the product, and asked if they would want to buy it.

crust stuffing technology, Mediratta and his team found a way to stuff sausages into the crust instead of cheese. It was a hit. After that, it was just a matter of time before other countries picked up the same feature, and sausage crust pizza went worldwide.

Innovations aren't limited to the food either. When McDonald's started its delivery service, a feature of many of its branches in Asian countries, it came upon a problem for its Chandni Chowk branch in New Delhi. "As a model, we use specially modified and branded scooters for delivery," says Pawanjit Singh, who heads the delivery division for McDonald's India. "But looking at the traffic congestion in Chandni Chowk, we felt that scooters would not allow us to deliver the orders in time. We finally decided upon bicycles."

Men on bikes take up less space and can zip through the crowded streets much faster. This is important, considering the walled city is said to hold an estimated one million people. And

if it's terribly crowded—say, at 5:30 p.m. on a weekday—the delivery men have even been known to walk to nearby destinations. It's the only branch of McDonald's worldwide to have this unique form of delivery.

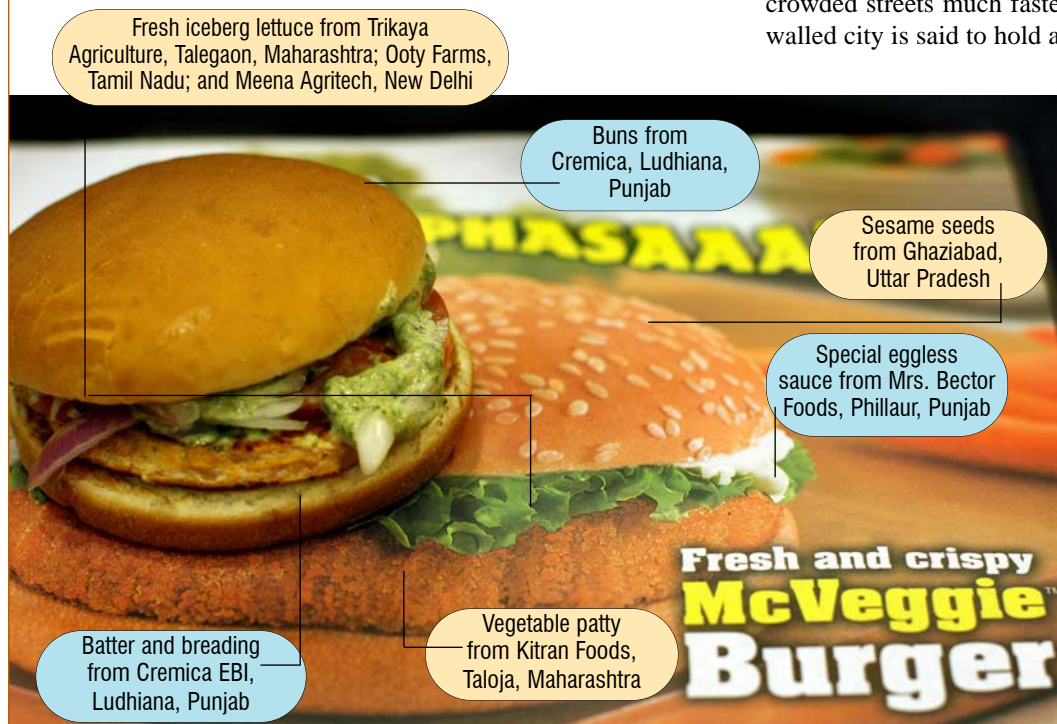
But how much Indian flavor is too much? When do you stop catering to local tastes and start diluting your core product? It's a delicate balance that marketers and chefs have to handle every time they work on a new menu offering.

Says Mediratta, "Our consumer research shows that people say they want an international concept but with an Indian heart. They don't want butter chicken; for that they can go to other places. When they come here they still want an international

pizza, so we have to be very careful when we do the balancing on our menu." For that reason, he's decided not to tamper with his core ingredients: crust, cheese and sauce.

In addition to finding the right food elements, the other assets of chain restaurants play a huge role in keeping the brand international. The staff speak English and are trained in customer service; the ambience is clean and well-lit with a modern feel; and the ingredients are all prepared in hygienic conditions identical to the requirements in the United States. Surprise visits are made at least once a month to each franchise by an undercover customer, and if standards are not met, the restaurant will be penalized or even shut down.

One integral feature of all the Indian branches of American brands is vegetarian offerings. Workers in different parts of the kitchen keep the meat-based products strictly separated. This scrupulous behavior was learned the hard way. KFC was plagued by allegations of animal rights abuses in its chicken sourcing, and McDonald's received a lot of flak over an allegation of small amounts of beef in the oil used to cook vegetarian



After narrowing the choices from the feedback, an in-house team rates the selections on taste, presentation and feasibility. After this, products are again sent to the focus groups, but this time, they get a taste. If the consumers like the taste, then it's off to the biggest test of all: suppliers. Can the meat suppliers mass produce a kebab that tastes just right and doesn't cost a fortune? Will the breadsticks crumble before they are delivered?

If the suppliers can produce the ingredients, then it's on to a restaurant test where a branch is chosen to sell and serve the product. Can the kitchen workers prepare it properly? Is the price too high? Can the waiters explain what goes into the item? And, of course, the bottom line: does it sell? Only after all these questions are answered does that hot bite end up on your lunch tray.

Some bright ideas from India have even gone international. In Pizza Hut's case, the U.S.-based parent introduced a stuffed crust pizza with strips of mozzarella cheese baked into the edges. However, Indians aren't fans of cheese as much as Americans are, and the pizza didn't sell well here. Instead, Indian consumers wanted more meat. After playing around with

Tasty Bite India Coming to American Tables

Madras lentils made in Pune, Maharashtra, are finding their way onto American dinner tables thanks to food packaging technology invented for the Apollo space program, and a growing company, Tasty Bite. Its motto is "Taking Indian food to the mainstream," and company President Ashok Vasudevan has done just that.

Tasty Bite now sells nationally in U.S. grocery stores like Safeway, Costco and Trader Joe's. Vasudevan also estimates that 98 percent of his consumers are non-Indian.

Started in India during the 1990s, Tasty Bite made ready-to-eat meals in specially sealed packs like those used for army rations. It was a new technology that India

wasn't ready for. However, America was.

Seeing the trends of food experimentation and ready-made meals in the U.S. market, Tasty Bite launched in 1995, billing its products as natural, ethnic food. The Indian meals sold in health food stores

because they had no preservatives and no added flavors.

At first, sales were sluggish. One problem was the product names. "The words on the pack were a mouthful," says Vasudevan, "so Navratan Korma became Jaipur Vegetables." They also had to wait a little while for American tastes to evolve. "We were surprised at the reaction to our Kashmir Spinach. The spinach in the U.S. is very fibrous....Our spinach was often looked at as baby food because it was very gooey." Now Kashmir Spinach is a top seller.

Tasty Bite is expanding, and its 120-strong staff is now making Thai, Italian, Chinese and Mediterranean meals at the production center in Pune. —E.W.



Courtesy Tasty Bite

products, which the company denied.

Arvind Mediratta, marketing director of Yum Foods India, spoke of the trouble first experienced by the company's brands. "When KFC came in, the political environment was not very conducive to the entry of multinationals. There was a lot of hue and cry raised by politicians saying that KFC is junk food. They said, 'We don't need multinationals to serve us chicken. We have our own *tandoori* chicken.' While there was so much heat on KFC, we moved the focus to Pizza Hut."

Much has happened since 1995 when KFC first launched. Foreign direct investment rules have been liberalized, the average salary has risen and the Indian government is now wooing multinational companies, not shunning them. All these factors were motivations to relaunch KFC in metros like New Delhi and Calcutta.

And KFC has re-launched with a new menu that's pretty radical for a restaurant known for its chicken. Its vegetarian range includes a *chana* burger and Indian *thalis*. Says Arvind Mediratta, "When we talk about the KFC brand, we're not talking about chicken; our positioning is around taste."

Though it's too early to gauge the success of the vegetarian menu, price will obviously play a part in KFC's sales. Ten years ago, it sold two pieces of chicken for Rs. 60 and saw customers balk at the amount. Today KFC is selling two pieces for Rs. 5 more, and catering to a whole new income bracket.

American restaurant chains have all been getting aggressive in pricing in recent years. Many began with prices that reflected those in the West and their products were regarded as a luxury. Now McDonald's has a Rs. 20 menu, Subway has Rs. 50 sandwiches and Pizza Hut has a meal package of ice cream, pizza and soup for Rs. 75. All reported a significant boost in sales since introducing lower pricing.

And as they make their food affordable to a whole new section of customers, they are also helping Indian farmers and suppliers become more efficient and knowledgeable. Processed food is still quite new and underdeveloped here, and it's not uncommon for Indian vendors for American chains to be sent on exchange programs to the United States or Europe to learn new

processes and recipes.

Neerja Bharat of McDonald's recalls the company's Indian launch in the early 1990s and the extensive search for good suppliers. "India had no technical know-how and expertise on how to grow lettuce," she says. "We needed lettuce that would crunch when you bite it." It took McDonald's six years to get the lettuce right, along with other key food components. The company finally settled on farming it in Ooty, Tamil Nadu, and taught the vendors advanced drip irrigation methods. The vendors now plan on exporting lettuce to McDonald's in other countries as well.

Pizza Hut had similar problems with pepperoni when the Indian government banned its import. Sanjiv Mediratta knew he had to arrange something, as customers were clamoring for the Italian sausage. After interviewing many vendors, he settled on a small pork slaughterhouse called Farm Suzanne, in Chennai. The owners were already catering to other packaged food makers, but were still not up to international standards. Plus, they had no idea how to make pepperoni.

So Yum Foods brought one of its vendors from Australia to teach pepperoni processes and seasoning. Every window in the plant had to be shut, the building had to be kept at 10 degrees Celsius at all times, and lots of new equipment was needed. These were all expensive for a small vendor to handle, but Farm Suzanne did it. It now produces authentic Indian-made pepperoni in perfectly uniform slices that taste just like the international stuff. Pepperoni lovers can now breathe easy; Pizza Hut will be reintroducing the signature dish soon.

And what of customers from America or Europe who are searching for a familiar taste from home? Vijay Kadian, manager of a Pizza Hut in Gurgaon, outside New Delhi, says that Western customers in the business hub regularly order the local pizzas. "They are visiting a brand like Pizza Hut but they are in India, and want a taste of Indian food as well. They order the Indian pizzas." But, he admits, "without the green chilies." □

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